VZCZCXRO0072 PP RUEHCHI RUEHCN RUEHDT RUEHHM DE RUEHJA #3472 3610921 ZNY CCCCC ZZH P 270921Z DEC 07 FM AMEMBASSY JAKARTA TO RUEHC/SECSTATE WASHDC PRIORITY 7507 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY RUEHGG/UN SECURITY COUNCIL COLLECTIVE PRIORITY RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0328 RUEHBY/AMEMBASSY CANBERRA PRIORITY 1819 RUEHLO/AMEMBASSY LONDON PRIORITY 0838 RUEHKO/AMEMBASSY TOKYO PRIORITY 1363 RUEAIIA/CIA WASHDC PRIORITY RHHJJPI/USPACOM HONOLULU HI PRIORITY RHEHNSC/NSC WASHDC PRIORITY

CONFIDENTIAL JAKARTA 003472

SIPDIS

SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS, NEA/I, EB/ESC/TFS TREASURY FOR OFAC, OIA, AND TFFC

E.O. 12958: DECL: 12/26/2017 TAGS: <u>ETRD KFTN EFIN ID IR</u>

SUBJECT: IRAN FINANCIAL SANCTIONS: TRADING CAR PARTS FOR ASPHALT

Classified By: Economic Counselor Peter Haas for reasons 1.4 (b) and (d)

(C) Indonesia's leading car parts manufacturer PT Astra Otoparts supplies automobile parts to companies in Iran in exchange for asphalt to get around financial sanctions according to company director Eko Haryanto. Haryanto told us that this trade was originally conducted in U.S. dollars. After the U.S. imposed restrictions on the Iranian state-owned Bank Saderat and other banks, Astra began denominating its contracts with Iranian importers in euro. Once European countries began imposing their own sanctions, Astra decided to switch to barter trade. Haryanto said that Indonesia cannot meet its own domestic asphalt needs, making imports essential. Haryanto added that Iranian business people he knows are very critical of Iranian President Ahmadinejad.